

# Program A: Prison Enterprises

Program Authorization: R.S. 15:1151-1161

## PROGRAM DESCRIPTION

The mission of the Prison Enterprises Program is threefold:

- utilize the resources of the department in the production of food, fiber, and other necessary items used by the inmates in order to lower the cost of incarceration;
- provide products and services to state agencies and agencies of parishes, municipalities, and other political subdivisions; and
- provide work opportunities for inmates.

One of the main goals of Prison Enterprises is to maintain self-sufficiency, since no funds are appropriated to sustain its operations. Meeting this goal requires a constant balancing act between technology and labor-intensive approaches to the manufacturing process. In a prison setting, the number of jobs created is the focus, rather than pursuing the latest technology to reduce manpower.

Prison Enterprises has two activities: Industry Operations and Agriculture Operations.

- Industry Operations - The mission of Industry Operations is to utilize inmate labor in the production of low-cost goods and services, which reduce the overall cost of incarceration and save funds for other state agencies, parishes and local government entities. The goals of this activity are:

1. Ensure total customer satisfaction with Prison Enterprises' products and services.
2. Promote and expand private sector involvement in prison-based work programs.
3. Increase the volume of sales to parish and local governmental entities with particular emphasis on correctional institutions.

Prison Enterprises operates seventeen different industries located within eight different adult correctional institutions across the state. The major goal of these operations is to provide quality, low-cost products to the department, thus reducing the cost of incarceration. Inmates, who are normally a financial burden on taxpayers, work to produce a variety of products and services that actually save taxpayer dollars. Prison Enterprises strives to produce goods that meet or exceed the quality of similar products available on state contract, offering them for sale at lower prices.

- Agriculture Operations - The mission of Agriculture Operations is to utilize inmate labor in the production of vegetables that are fed to the inmate population, growing a wide variety of crops sold on the open market and raising stock. The goals of this activity are:

1. Take full advantage of the resources, knowledge, and expertise of other state agencies involved in agriculture operations to improve Prison Enterprises' farming and livestock operations.
2. In livestock, swinery, dairy, and farming operations, realize maximum productivity, manage the costs of production, and meet or exceed state and regional yields for similar operations.
3. Maintain membership or join professional agriculture and livestock organizations to keep abreast of recent developments and advancements through training opportunities, periodicals, and published reports.

Prison Enterprises raises over forty varieties of vegetables that are sold to the various prisons at substantial savings over open market prices. Many are sold on the open market to generate revenue. Range herd operations at several different prisons produce cattle that are sold at public auction. The proceeds from these sales are used to procure less expensive cuts of meat for resale to the prisons for feeding inmates. While prison-based agriculture operations have not been historically profitable, they play an important role in the institutional environment: increasing inmate jobs, decreasing the number of security officers necessary to supervise the inmate population; and assisting in basic work ethic development among the inmates.

## OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1. (KEY) To increase product sales.

Strategic Link: This objective is related to strategic objective II.1, related to the establishment of work programs for state inmates.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: The determination of future revenues for the Prison Enterprises Program is often dictated by the budgets of other state agencies and by market conditions and other factors that affect the sales of many of the program's products. These factors can cause revenues to fluctuate drastically from year to year in individual operations, making projections very difficult. However, in certain areas of Prison Enterprises operations, the program does have some degree of control and can take steps to increase these revenues. These operations consist of manufacturing entities that produce goods that can be used by state agencies and nonstate agencies other than the Department of Public Safety and Corrections, Office of Corrections Services. Through effective use of marketing and the program's sales force, the program looks to improve its performance in these entities. As a result, these indicators are based upon sales of products from industries that are affected by these elements, which can be readily measured from year to year.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 2 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
		K	Sales to state agencies	\$1,140,133	\$1,817,427	\$1,234,260	\$1,234,260
K	Sales to non-state agencies	\$1,003,884	\$1,066,052	\$871,976	\$871,976	\$1,120,155	\$1,120,155

2. (KEY) To maintain or increase direct savings to the state through payment of inmate incentive wages.

Strategic Link: This objective is related to strategic objective II.1, related to the establishment of work programs for state inmates.

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

Explanatory Note: Payment of inmate incentive wages by the Prison Enterprises Program for the entire Office of Corrections Services is one measure of direct savings to the state. Since all Prison Enterprises revenues are self-generated, payment of these wages avoids necessitating an appropriation from the General Fund for payment of these amounts. While any increase of this amount represents additional amounts saved by the General Fund, the Prison Enterprises Program hopes to control the incrementation of these wages through various means. This will not be an indication of less savings to the state but will represent an overall lesser liability incurred. However, at this time the program projects an increase in this amount and therefore additional savings to the General Fund.

Due to legislation requiring inmates to serve a certain portion of their sentence before earning gootime, more inmates are getting paid incentive wages because they are not earning gootime.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					AT RECOMMENDED BUDGET LEVEL FY 2001-2002			
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 2 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002				
		K	Amount of inmate incentive wages paid	\$849,486	\$898,741	\$871,976		\$871,976	\$1,014,235	\$1,014,235

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999- 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	26,947,136	27,255,713	27,255,713	28,183,804	27,586,808	331,095
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
<b>TOTAL MEANS OF FINANCING</b>	<b>\$26,947,136</b>	<b>\$27,255,713</b>	<b>\$27,255,713</b>	<b>\$28,183,804</b>	<b>\$27,586,808</b>	<b>\$331,095</b>
EXPENDITURES & REQUEST:						
Salaries	\$2,682,005	\$2,823,523	\$2,823,523	\$2,934,128	\$3,125,654	\$302,131
Other Compensation	90,609	21,875	21,875	21,875	21,875	0
Related Benefits	465,272	509,391	509,391	524,788	524,788	15,397
Total Operating Expenses	20,863,187	21,318,635	21,318,635	21,718,012	20,939,157	(379,478)
Professional Services	452,004	403,017	403,017	411,885	403,017	0
Total Other Charges	951,266	1,238,897	1,238,897	1,238,897	1,238,098	(799)
Total Acq. & Major Repairs	1,442,793	940,375	940,375	1,334,219	1,334,219	393,844
<b>TOTAL EXPENDITURES AND REQUEST</b>	<b>\$26,947,136</b>	<b>\$27,255,713</b>	<b>\$27,255,713</b>	<b>\$28,183,804</b>	<b>\$27,586,808</b>	<b>\$331,095</b>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	92	94	94	94	92	(2)
Unclassified	0	0	0	0	0	0
<b>TOTAL</b>	<b>92</b>	<b>94</b>	<b>94</b>	<b>94</b>	<b>92</b>	<b>(2)</b>

## SOURCE OF FUNDING

This program is funded with Self-generated Revenues derived from sales to state agencies, municipalities, parishes, non-profit organizations and sales of surplus farm products on the open market.

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$27,255,713	94	<b>ACT 2 FISCAL YEAR 2001-2002</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$0	0	None
<b>\$0</b>	<b>\$27,255,713</b>	<b>94</b>	<b>EXISTING OPERATING BUDGET – December 15, 2000</b>
\$0	\$68,773	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$53,180	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$77,347)	0	Risk Management Adjustment
\$0	\$1,334,219	0	Acquisitions & Major Repairs
\$0	(\$940,375)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$257,797	0	Salary Base Adjustment
\$0	(\$62,222)	(2)	Attrition Adjustment
\$0	(\$799)	0	Civil Service Fees
\$0	(\$302,131)	0	Salary Funding from Other Line Items
<b>\$0</b>	<b>\$27,586,808</b>	<b>92</b>	<b>TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 101.2% of the existing operating budget. It represents 96.6% of the total request (\$28,561,495) for this program. The increase in the recommended level of funding is primarily due to the fund of Acquisition and Major Repair funding along with the adjustments necessary to fully fund the 92 recommended positions.

## PROFESSIONAL SERVICES

\$115,710	Management Consulting Contracts to provide economic impact studies on Prison Enterprises operations; provides information from milk weight and information for sound management of dairy operations; provides programming for the Prison Enterprises computers; provides forestry management consulting for timber operations
\$90,000	Engineering and Architectural Contracts to provide technical assistance for construction and expansion of Prison Enterprises operations
\$80,807	Veterinary Services for animals utilized in farm operations
\$116,500	Other Professional Services to provide for consultation regarding formulations of Hunt Soap Plant products; agronomy and entomology consulting for LSP farm; provide consultation regarding improvements of Prison Enterprises transportation; provide for forestry consultant services; provide consulting services to assist in the license plate operations for Puerto Rico; provide for agricultural consulting services; provide consultation on Prison Enterprises rangeherd operations
<b>\$403,017</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

## OTHER CHARGES

\$9,970	Department of Civil Service
\$748	Comprehensive Public Training Program
\$42,319	Legislative Auditor
\$1,185,061	Inmate incentive wages
<b>\$1,238,098</b>	<b>TOTAL OTHER CHARGES</b>

## ACQUISITIONS AND MAJOR REPAIRS

\$1,334,219	Replacement farming, soap plant, garment plant, furniture plant, mattress factory vegetable processing equipment and machinery; roof replacement at main warehouse and soap plant, repairs to cotton picker and dozer.
<b>\$1,334,219</b>	<b>TOTAL ACQUISITIONS AND MAJOR REPAIRS</b>